

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-135-C - ORDER NO. 2008-480
JUNE 27, 2008

IN RE: Public Communications Services, Inc.) ORDER GRANTING
For a Certificate of Public Convenience) CERTIFICATE AND
And Necessity to Provide Intrastate) APPROVING MODIFIED
Telecommunications Services and for) ALTERNATIVE
Alternative Regulation within the State of) REGULATION
South Carolina)

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of Public Communications Services, Inc. (“PCS” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold intrastate telecommunications services to inmates of correctional and confinement facilities within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2007) and the rules and regulations of the Commission. By its Application, PCS also requests modified alternative regulation of its interexchange services consistent with Commission Orders, and waiver of certain Commission regulations.

The Commission’s Docketing Department instructed PCS to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform interested parties of

the Application of PCS and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. PCS complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene or Protests were filed.

Subsequently, PCS and ORS filed a Settlement Agreement attached hereto as Order Exhibit 1. A hearing was convened on June 16, 2008 at 10:00 a.m. in the offices of the Commission in Columbia, South Carolina, before David Butler, Hearing Examiner. PCS was represented by Bonnie D. Shealy, Esquire. The Office of Regulatory Staff (“ORS”) was represented by Shealy Boland Reibold, Esquire.

Rudy Zaragoza, Vice President, Sales and Marketing, for the Company, testified in support of the Company’s Application. The record reveals that PCS is a corporation organized under the laws of the State of California and that is registered to transact business in South Carolina as a foreign corporation. According to Mr. Zaragoza, the Company seeks authority to provide automated collect (postpaid and prepaid) intrastate telecommunications services and debit services to inmates of prisons, jails, and other confinement institutions. Mr. Zaragoza explained the Company’s request for authority, and the record further reveals the Company’s services, operations, and marketing procedures. The Company installs sophisticated premises equipment within the facility which permits inmates to make outgoing, collect-only calls without the assistance of a live operator. For collect calling services, PCS’s call processing system provides automated voice prompts to the calling and the called party for instructions on how to place and accept the call. The called party must accept the call with an affirmative

response or the call is terminated automatically. Customers are charged individually for each call. The Company's system collects and stores collect call detail information for each call. The records are retrieved by PCS and submitted for billing to the called party's local exchange carrier through PCS's billing agent. Mr. Zaragoza also discussed PCS's technical, financial, and managerial resources to provide the services for which it seeks authority. Zaragoza offered that PCS possesses sufficient financial resources to support its operations in South Carolina.

With regard to management and technical capabilities, the Company's Application and Testimony of Rudy Zaragoza both evidence that PCS' management has extensive experience in telecommunications, information technology, regulatory matters, and accounting and finance. Mr. Zaragoza also testified that PCS will operate in accordance with Commission rules, regulations, guidelines, and Commission Orders. Mr. Zaragoza offered that approval of PCS's Application would serve the public interest.

Mr. Zaragoza, on behalf of the Company, requests a waiver of 26 S.C. Code Ann. Regs. 103-610 since the Company's books are maintained in California. Further, the Company requests an exemption from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts ("USOA"). PCS maintains its books in accordance with Generally Accepted Accounting Principles ("GAAP").

After consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. PCS is organized under the laws of the State of California as a corporation, and is authorized to do business as a foreign corporation in South Carolina by the Secretary of State.

2. PCS desires to operate as a provider of resold intrastate telecommunications services to inmates of correctional facilities located in South Carolina.

3. We find that PCS possesses the managerial experience and capability to operate as a provider, through resale, of intrastate telecommunications services in South Carolina.

4. We find, based on the financial statements submitted by the Company and the testimony at the hearing, that PCS possesses sufficient financial resources to provide the services as described in its Application and testimony.

5. We find that the issuance of a Certificate of Public Convenience and Necessity to PCS to operate as a reseller of intrastate telecommunications services in South Carolina would be in the best interest of the citizens of South Carolina by providing more innovative services.

6. PCS requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds PCS's requested waiver reasonable and understands the potential difficulty presented to PCS should the waiver not be granted. Further, we find a waiver of 26 S.C. Code Ann. Regs. 103-610 to be in the public interest. We also believe that

exemption from the policies that would require the Company to keep its records under the USOA is reasonable.

7. The Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B) (1) (Supp. 2007).

8. The Commission finds that services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B) (2) (Supp. 2007).

9. The Commission finds that the issuance of a Certificate of Public Convenience and Necessity to PCS would be in the best interest of the citizens of South Carolina by increasing the level of competition in the institutional calling services market, by providing an alternative source of providers for inmate services, and by creating incentives for lower prices, and more innovative services.

CONCLUSIONS OF LAW

1. The Commission concludes that PCS possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that PCS will participate in the support of universally available telephone service at affordable rates to the extent that PCS may be required to do so by the Commission.

3. The Commission concludes that PCS will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of PCS's Application to provide intrastate telecommunications services within South Carolina will serve the public interest by offering an alternative source of inmate telecommunications service providers and by providing for efficient use of existing telecommunications resources.

5. The Commission concludes that the provision of intrastate telecommunications service by PCS will not adversely impact the public interest.

6. The Commission concludes that the issuance of the authority to provide intrastate telecommunications services as requested by PCS and as set forth in its Application and Rudy Zaragoza's testimony is in the best interests of the citizens of the State of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to PCS to provide resold intrastate telecommunications services to inmates of correctional facilities in South Carolina.

8. The Commission concludes that PCS's intrastate interexchange telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of interexchange service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and

operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission.

9. With regard to the provision of inmate calling service for local and intraLATA interexchange calling, PCS shall not charge rates any greater than the rates and charges by the local exchange company at the time a call is placed. For interLATA interexchange calling, PCS shall charge rates not greater than AT&T’s charges and operator station usage rates at the time the call is placed. Additionally, automated collect calls shall only be completed with the affirmative acceptance by the called party. Also, the company shall not impose any subscriber surcharges on calls originating from inmate facilities. For inmate calling service, call detail information submitted to the local

exchange company for billing purposes must include the access line telephone number as assigned to the line by the local exchange company.

10. We conclude that PCS's request for waiver of 26 S.C. Code Ann. Regs. 103-610 (Supp. 2007) should be granted as strict compliance with the regulation would potentially cause undue hardship on that Company. We also grant exemption from the policies requiring the use of USOA.

11. The Settlement Agreement between the parties should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to PCS to provide intrastate telecommunications services through the resale of services authorized for resale by tariffs of carriers approved by the Commission within the State of South Carolina.

2. The Company's rate designs for its products shall conform to those designs described in Conclusions of Law above.

3. If it has not already done so by the date of issuance of this Order, PCS shall file its revised tariff utilizing the Commission's e-filing system for tariffs. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. The revised tariff shall be consistent with the findings of this Order and shall be

consistent with the Commission's Rules and Regulations, as well as the provisions of the PCS-ORS Settlement Agreement.

4. The Company's service is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

5. PCS shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If PCS changes underlying carriers, it shall notify the Commission in writing.

6. With regard to the origination and termination of toll calls within the same LATA, PCS shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, PCS shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

7. PCS shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, PCS shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial

information can be found at the Commission's website at www.psc.sc.gov/forms.asp or at the ORS's website at www.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1st**.

Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31st** of each year. The proper form for filing gross receipts information can be found at the ORS website at www.regulatorystaff.sc.gov, and the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the South Carolina Intrastate Universal Service Fund ("USF") Contribution Worksheet (SC USF Contribution Worksheet), which requires the reporting of intrastate and interstate revenues on the company's South Carolina operations. The SC USF Worksheet form may be found on the ORS's website at www.regulatorystaff.sc.gov. This Worksheet provides ORS information required to determine each telecommunications company's liability to the State USF fund. The SC USF Contribution Worksheet is due to be filed annually no later than **August 15th** with the Commission and ORS.

8. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in

writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. PCS shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.sc.gov/forms.asp; this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

9. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

10. At the hearing, PCS requested a waiver of 26 Code Ann. Regs. 103-610 (Supp. 2006), which requires that records required by the Commission’s Rules and Regulations be maintained in South Carolina. The Commission finds PCS’s requested waiver reasonable and understands the potential difficulty presented to PCS should the waiver not be granted. The Commission therefore grants the requested waiver. However, PCS shall make available its books and records at all reasonable times upon request by the Office of Regulatory Staff, and PCS shall promptly notify the Commission and ORS if the location of its books and records changes.

11. PCS also requests that it be exempt from record keeping policies that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts. The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. As a competitive carrier,

PCS maintains its book of accounts in accordance with Generally Accepted Accounting Principles. GAAP is used extensively by interexchange carriers and other competitive telecommunications carriers. Accordingly, PCS requests an exemption from the USOA requirements. We grant the Company's request for the reasons stated above.

12. The Settlement Agreement between the parties is hereby approved.

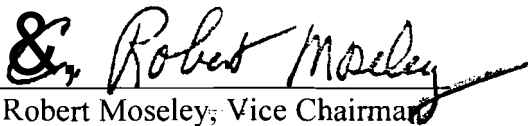
13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-135-C

In Re:)	
Application of Public Communications)	
Services, Inc. for a Certificate of Public)	
Convenience and Necessity to Provide)	
Intrastate Telecommunication Services)	SETTLEMENT AGREEMENT
and for Alternative Regulation within)	
the State of South Carolina)	

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and Public Communications Services, Inc. ("Public Communications" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on March 31, 2008, the Company filed its Application requesting: (i) a Certificate of Public Convenience and Necessity be granted authorizing the Company to provide resold interexchange services throughout the State of South Carolina; (ii) alternative regulation of its interexchange services and operator services consistent with Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) for waiver of certain Commission Regulations, specifically Regulations 103-610 regarding location of records; and (iv) a waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts ("USOA");

WHEREAS, on April 3, 2008, counsel for ORS entered a Notice of Appearance in this matter;

WHEREAS on April 10, 2008, the Commission issued a Notice of Filing and Hearing and established a return date of May 12, 2008, for the filing of letters of protest or petitions to intervene and established a hearing date of June 30, 2008, for the application to be heard before a hearing examiner;

WHEREAS, on April 14, 2008, the Commission rescheduled the hearing date for June 16, 2008 at the Company's request;

WHEREAS, on April 15, 2008, the Commission issued its Order No. 2008-274 by which the Commission appointed David Butler, Esquire as the Hearing Examiner in this matter;

WHEREAS, on May 16, 2008, the Company pre-filed the direct testimony of Rudy Zaragoza with the Commission;

WHEREAS, the purpose of this proceeding is to review the application filed by the Company and its requests: (i) for a Certificate of Public Convenience and Necessity to provide resold interexchange telecommunications services within the State of South Carolina to inmates of confinement institutions; (ii) for alternative regulation of its interexchange services and operator services consistent with Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) for waiver of certain Commission Regulations, specifically Regulations 103-610 regarding location of records; and (iv) for waiver of any requirement to maintain financial records in conformance with the USOA;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of the Company to provide the services requested in the Application;

WHEREAS, ORS has reviewed the Application and the financial data provided by the Company, and ORS has calculated certain performance ratios based upon information provided

by the Company;

WHEREAS, ORS has investigated the services to be offered by the Company and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by the Company;

WHEREAS, ORS has reviewed the prefiled testimony of Rudy Zaragoza;

WHEREAS, as a result of its investigations, ORS has determined: (a) the Company intends to offer resold long-distance telecommunications services such as automated collect calling services to inmates of confinement institutions in the state of South Carolina and operator services; (b) the Company's officers possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided, the Company appears to have access to sufficient financial resources necessary to provide the services proposed in its application; (d) the Company's proposed tariffs with the amendments as agreed to in this Settlement Agreement comply with Commission statutes and regulations; (e) the services provided by the Company will meet the service standards required by the Commission; (f) the provision of services by the Company will not adversely impact the availability of affordable telecommunications services; (g) to the extent it is required to do so by the Commission, the Company will participate in the support of universally available telephone service at affordable rates; and (h) the provision of services by the Company will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree that the Company's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;

2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of the Company's witness Rudy Zaragoza without cross-examination by ORS;

3) The Company has submitted financial data, which was provided as Exhibit IV to the Application and which financial data is incorporated by reference;

4) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide resold interexchange telecommunications services within the state of South Carolina;

5) The Company has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2006) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing the Company to maintain its books and records outside of the State of South Carolina in exchange for the Company agreeing to provide access to its books and records. ORS is agreeable to the Company maintaining its books and records at its principal offices in the State of California, and the Company agrees to notify the ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C.

Code Ann. § 58-4-55 (Supp. 2007) or § 58-9-1070 (Supp. 2007). ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties and compliance with any state or federal regulation;

6) The Company has requested a waiver of any rule or regulation that might require a carrier to maintain its financial records in conformance with the USOA. The Company acknowledges that S.C. Code Ann. § 58-9-340 (Supp. 2007) provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems of accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately and faithfully according to the system of accounts as prescribed by the ORS. The Company agrees to keep its books, papers, and records in such a manner that permits ORS to audit its revenues and expenses for compliance with programs such as but not limited to the Universal Service Fund ("USF") and the Interim LEC Fund, and gross receipts. The Company agrees to complete the reporting forms for such programs as but not limited to USF, Interim LEC, and gross receipts as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time;

7) ORS does not oppose the Company's requests: (a) for alternative regulation of its interexchange services and operator services consistent with the procedures described and set forth in Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C, specifically (i) regulation of these services listed above in the same manner as these services are regulated for AT&T Communications of the Southern States, Inc.;

(ii) removal of the maximum rate tariff requirements for the Company's operator-assisted interexchange service; (iii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; (iv) allowing the Company the same treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

8) In conjunction with the provision of inmate phone services, the Company agrees that: (i) the charge for "0+" collect calls from confinement facilities on a local or intraLATA basis shall be no more than the rates charged by the LEC for local or intraLATA operator assisted calls at the time such call is completed; (ii) the rates charged for "0+" collect calls from confinement facilities on an interLATA basis shall be no more than the rates charged for interLATA operator assisted calls by AT&T Communications of the Southern States at the time such call is completed; (iii) the Company will brand all calls identifying it as the carrier of such call and provide the originating location of such call to the called party; (iv) a "0+" collect call should only be completed upon positive or affirmative acceptance of the charges from the called party (passive acceptance is prohibited); (v) call detail information for billing purposes must include the originating access line number; and (vi) the billing provided to the called party should include the Company's name and a toll-free number for contacting the company concerning any billing or service questions.

9) The Company agrees to resell the services only of those carriers authorized to do business in South Carolina by the Commission. The Company agrees to notify ORS and the Commission, in writing, if it changes its underlying interexchange carriers;

10) The Company agrees to file necessary financial and/or other information with the

ORS and the Commission for universal service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as the Company. The Parties agree that such reports shall be filed pursuant to ORS's instructions and monies shall be remitted in accordance with the directions of the ORS and the Commission requirements.

11) The Company agrees to maintain its books and records in a manner that would permit ORS to examine any of its reports filed with the Commission and provided to ORS.

12) The Company agrees to file with the Commission and ORS a completed authorized utility representative form within thirty (30) days of the Commission's order.

13) The Company agrees that it shall post a surety bond or certificate of deposit for prepaid services in the amount of \$5,000 as required by the Commission;

14) In the event that the Company offers long distance services to end users, the Company agrees to comply with the verification regulations governing change of preferred carriers as established by Federal Communications Commission ("FCC"). In addition, in the event that the Company offers long distance services to end users, the Company agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

15) The Company agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

16) The Company agrees to file a final revised tariff with both the ORS and the Commission and the revised tariff shall reflect and be in accordance with ORS's recommendations as set forth in the summary attached as Exhibit 1 to this Settlement Agreement.

17) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

18) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

19) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

20) This Settlement Agreement shall be interpreted according to South Carolina law.

21) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

Representing the Office of Regulatory Staff

Shealy Boland Reibold

Shealy Boland Reibold, Esquire
Office of Regulatory Staff
1441 Main Street, Suite 300
Columbia, SC 29201
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Fax: (803) 737-0895
Email: sreibol@regstaff.sc.gov

6/3/08

Date

WE AGREE:

Representing Public Communications Services, Inc.

Bonnie D. Shealy

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June 3, 2008

Date

**Public Communications Services, Inc. has agreed to incorporate the following
changes in the tariffs filed with its application**

Section 1—Technical Terms and Abbreviations

—There are no recommendations for Section 1.

Section 2—Rules and Regulations

Original Page 9 2.5—The Company should delete the following language in its entirety—“The Company does not normally require advanced payments for service. However, the Company reserves the right to collect an amount not to exceed one (1) month’s estimated charges as an advance payment for service. This will be applied against the next month’s charges and a new advance payment may be collected for the next month, if necessary.”

Original Page 11 2.8.2—The Company should modify the Office of Regulatory Staff address—

Office of Regulatory Staff
Consumer Services Division
1441 Main Street, Suite 300
Columbia, SC 29201

Original Page 13 2.10.1.C—The Company should modify the sentence as follows—“For Customer’s or Subscriber’s violation of any of the Company’s rules on file with the Commission.”

Section 3—Description of Service

—There are no recommendations for Section 3.

Section 4—Current Rates

—There are no recommendations for Section 4.

Additional Recommendations for Inmate Telecommunications Services Tariff

The Company should include language as it relates to Marketing Practices (SC PSC Order 95-658).

EXHIBIT 1
Exhibit to Settlement Agreement
Between Public Communication Services, Inc. and ORS
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As a telephone utility under the regulation of the Public Service Commission of South Carolina, the Company hereby asserts and affirms that as a reseller of intrastate telecommunications service, the Company will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of consumers in South Carolina, and the Company will comply with those marketing procedures, in any, set forth by the Public Service Commission. Additionally, the Company will be responsible for the marketing practices of its contracted telemarketers for compliance with this provision. The Company understands that violation of this provision could result in a rule to Show Cause as to the withdrawal of its certification to complete intrastate telecommunications traffic within the state of South Carolina. (Commission Order 95-658)

- 2) **If the Company charges any installation, connection, or maintenance charges, termination charges, etc. (in addition to the services listed in the tariff). These additional charges and the descriptions of the charges should be listed in the tariff with their current and maximum rates.**
- 3) **The Company should also provide tariffs and tariff revisions to the South Carolina Public Service Commission as well as the South Carolina Office of Regulatory Staff (SC Reg. 103-629).**